



January 16, 2009

HOUSE BILL No. 1656

DIGEST OF HB 1656 (Updated January 15, 2009 5:53 pm - DI 96)

Citations Affected: IC 6-6; IC 8-14; noncode.

Synopsis: State and local highway funding. Redirects certain highway money from funds dedicated to state highway uses to funds dedicated to local highway uses for the period ending June 30, 2011. Requires that federal funds distributed to the state as part of an economic stimulus effort by the federal government to revive the United States economy must be appropriated by the general assembly before they may be expended. Makes an appropriation for numerous transportation projects.

Effective: July 1, 2009.

Austin

January 14, 2009, read first time and referred to Committee on Roads and Transportation.
January 16, 2009, reported — Do Pass. Recommitted to Committee on Ways and Means.

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HB 1656—LS 7476/DI 92+



January 16, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1656

A BILL FOR AN ACT to amend the Indiana Code concerning transportation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-6-1.1-801.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 801.5. (a) The
3 administrator shall transfer one-ninth (1/9) of the taxes that are
4 collected under this chapter to the state highway road construction and
5 improvement fund.
6 (b) The administrator shall transfer one-eighteenth (1/18) of the
7 taxes that are collected under this chapter to the state highway fund.
8 (c) The administrator shall transfer one-eighteenth (1/18) of the
9 taxes that are collected under this chapter to the auditor of state for
10 distribution to counties, cities, and towns. The auditor of state shall
11 distribute the amounts transferred under this subsection to each of the
12 counties, cities, and towns eligible to receive a distribution from the
13 motor vehicle highway account under IC 8-14-1 and in the same
14 proportion among the counties, cities, and towns as funds are
15 distributed from the motor vehicle highway account under IC 8-14-1.
16 Money distributed under this subsection may be used only for purposes
17 that money distributed from the motor vehicle highway account may be

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expended under IC 8-14-1.

(d) After the transfers required by subsections (a) through (c), the administrator shall transfer the next twenty-five million dollars (\$25,000,000) of the taxes that are collected under this chapter and received during a period beginning July 1 of a year and ending June 30 of the immediately succeeding year to the auditor of state for distribution in the following manner:

(1) In a state fiscal year beginning after June 30, 2009, and ending before July 1, 2011:

(A) fifty percent (50%) to each of the counties, cities, and towns eligible to receive a distribution from the local road and street account under IC 8-14-2 and in the same proportion among the counties, cities, and towns as funds are distributed under IC 8-14-2-4; and

(B) fifty percent (50%) to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1.

(2) In a state fiscal year beginning after June 30, 2011:

~~(A)~~ **(A)** thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the local road and street account under IC 8-14-2 and in the same proportion among the counties, cities, and towns as funds are distributed under IC 8-14-2-4;

~~(B)~~ **(B)** thirty percent (30%) to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same proportion among the counties, cities, and towns as funds are distributed from the motor vehicle highway account under IC 8-14-1; and

~~(C)~~ **(C)** forty percent (40%) to the Indiana department of transportation.

(e) The auditor of state shall hold all amounts of collections received under subsection (d) from the administrator that are made during a particular month and shall distribute all of those amounts pursuant to subsection (d) on the fifth day of the immediately succeeding month.

(f) All amounts distributed under subsection (d) may only be used for purposes that money distributed from the motor vehicle highway account may be expended under IC 8-14-1.

SECTION 2. IC 6-6-1.1-802 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 802. The administrator shall, after the transfer specified in section 801.5 of this chapter, deposit the remainder of the revenues collected under this chapter in the following manner:

(1) The taxes collected with respect to gasoline delivered to a taxable marine facility shall be deposited in the fish and wildlife fund established by IC 14-22-3-2.

(2) ~~Twenty-five percent (25%) of The taxes collected under this chapter, except the taxes~~ After making the deposit referred to in subdivision (1), the remaining amounts shall be deposited as follows:

(A) In a state fiscal year beginning after June 30, 2009, and ending before July 1, 2011:

(i) two-thirds (2/3) shall be deposited in the highway, road and street fund established under IC 8-14-2-2.1; **and**

~~(ii)~~ **(ii) the remainder of the revenues collected under this chapter shall be deposited in the motor fuel tax fund of the motor vehicle highway account.**

(B) In a state fiscal year beginning after June 30, 2011:

(i) twenty-five percent (25%) shall be deposited in the highway, road and street fund established under IC 8-14-2-2.1; and

(ii) the remainder of the revenues collected under this chapter shall be deposited in the motor fuel tax fund of the motor vehicle highway account.

SECTION 3. IC 6-6-2.5-68 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 68. (a) The administrator shall transfer the next twenty-five million dollars (\$25,000,000) of the taxes that are collected under this chapter and received during a period beginning July 1 of a year and ending June 30 of the immediately succeeding year to the auditor of state for distribution in the following manner:

(1) In a state fiscal year beginning after June 30, 2009, and ending before July 1, 2011:

(A) fifty percent (50%) to each of the counties, cities, and towns eligible to receive a distribution from the local road and street account under IC 8-14-2 and in the same proportion among the counties, cities, and towns as funds are distributed under IC 8-14-2-4; and

(B) fifty percent (50%) to each of the counties, cities, and towns eligible to receive a distribution from the motor vehicle highway account under IC 8-14-1 and in the same

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1 **proportion among the counties, cities, and towns as funds**
 2 **are distributed from the motor vehicle highway account**
 3 **under IC 8-14-1.**

4 **(2) In a state fiscal year beginning after June 30, 2011, as**
 5 **follows:**

6 ~~(1)~~ **(A)** Thirty percent (30%) to each of the counties, cities,
 7 and towns eligible to receive a distribution from the local road
 8 and street account under IC 8-14-2 and in the same proportion
 9 among the counties, cities, and towns as funds are distributed
 10 under IC 8-14-2-4.

11 ~~(2)~~ **(B)** Thirty percent (30%) to each of the counties, cities, and
 12 towns eligible to receive a distribution from the motor vehicle
 13 highway account under IC 8-14-1 and in the same proportion
 14 among the counties, cities, and towns as funds are distributed
 15 from the motor vehicle highway account under IC 8-14-1.

16 ~~(3)~~ **(C)** Forty percent (40%) to the Indiana department of
 17 transportation.

18 (b) The auditor of state shall hold all amounts of collections
 19 received from the administrator that are made during a particular
 20 month and shall distribute all of those amounts under subsection (a) on
 21 the fifth day of the immediately succeeding month.

22 (c) All amounts distributed under subsection (a) may only be used
 23 for purposes that money distributed from the motor vehicle highway
 24 account may be expended under IC 8-14-1.

25 (d) All revenue collected under this chapter shall be used in the
 26 same manner as the revenue collected under IC 6-6-1.1. The
 27 administrator shall, after the transfers specified in subsection (a),
 28 deposit the remainder of the revenues collected under this chapter in
 29 the same manner that revenues are deposited under IC 6-6-1.1-802.

30 SECTION 4. IC 8-14-2-3 IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The auditor of state shall
 32 credit the state highway fund established under IC 8-23-9-54 monthly
 33 with as follows:

34 **(1) In a state fiscal year beginning after June 30, 2009, and**
 35 **ending before July 1, 2011, with zero percent (0%) of the**
 36 **money deposited in the highway, road and street fund.**

37 **(2) In a state fiscal year beginning after June 30, 2011, with**
 38 **fifty-five percent (55%) of the money deposited in the highway,**
 39 **road and street fund.**

40 (b) Funds allocated to the department under this chapter must be
 41 appropriated.

42 SECTION 5. IC 8-14-2-4, AS AMENDED BY P.L.182-2007,



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SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) The auditor of state shall establish a special account to be called the "local road and street account" and credit this account monthly ~~with~~ **as follows:**

(1) In a state fiscal year beginning after June 30, 2009, and ending before July 1, 2011, with one hundred percent (100%) of the money deposited in the highway, road and street fund.

(2) In a state fiscal year beginning after June 30, 2011, with forty-five percent (45%) of the money deposited in the highway, road and street fund.

(b) The auditor shall distribute to units of local government money from this account each month. Before making any other distributions under this chapter, the auditor shall distribute E85 incentive payments to all political subdivisions entitled to a payment under section 8 of this chapter.

(c) After distributing E85 incentive payments required under section 8 of this chapter, the auditor of state shall allocate to each county the remaining money in this account on the basis of the ratio of each county's passenger car registrations to the total passenger car registrations of the state. The auditor shall further determine the suballocation between the county and the cities within the county as follows:

(1) In counties having a population of more than fifty thousand (50,000), sixty percent (60%) of the money shall be distributed on the basis of the population of the city or town as a percentage of the total population of the county and forty percent (40%) distributed on the basis of the ratio of city and town street mileage to county road mileage.

(2) In counties having a population of fifty thousand (50,000) or less, twenty percent (20%) of the money shall be distributed on the basis of the population of the city or town as a percentage of the total population of the county and eighty percent (80%) distributed on the basis of the ratio of city and town street mileage to county road mileage.

(3) For the purposes of allocating funds as provided in this section, towns which become incorporated as a town between the effective dates of decennial censuses shall be eligible for allocations upon the effectiveness of a corrected population count for the town under IC 1-1-3.5.

(4) Money allocated under the provisions of this section to counties containing a consolidated city shall be credited or allocated to the department of transportation of the consolidated

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city.

(d) Each month the auditor of state shall inform the department of the amounts allocated to each unit of local government from the local road and street account.

SECTION 6. P.L.234-2007, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: SECTION 26.

(a) The governor of the state of Indiana is solely authorized to accept on behalf of the state any and all federal funds available to the state of Indiana. **Subject to subsection (b)**, federal funds received under this SECTION are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. **Subject to subsection (b)**, the provisions of this SECTION and all other SECTIONS of P.L.234-2007 concerning the acceptance, disbursement, review, and approval of any grant, loan, or gift made by the federal government or any other source to the state or its agencies and political subdivisions shall apply, notwithstanding any other law.

(b) As used in this subsection, "economic stimulus funds" refers to grants, loans, and gifts made from federal funds, including any instrumentality of the federal government, after December 31, 2008, that are intended by the federal government or generally known to be part of an economic stimulus package to revive the United States economy. Notwithstanding any other law, including any other law enacted by the one hundred and sixteenth general assembly, any money distributed from economic stimulus funds to the state, a department or agency of the state, or an instrumentality of the state, including the Indiana economic development corporation, may be allotted and expended only to the extent that a law enacted after December 31, 2008, specifically appropriates the amount for the purposes specified by the federal government.

(c) This SECTION expires July 1, 2011.

SECTION 7. [EFFECTIVE JULY 1, 2009] (a) There is appropriated from the major moves construction fund the amount determined under subsection (b) to the Indiana department of transportation for the purposes described in this SECTION for the period beginning July 1, 2009, and ending June 30, 2011.

(b) The amount appropriated under subsection (a) is equal to the balance of the major moves construction fund that has not been dedicated to a particular major moves construction project as of July 1, 2009.

(c) The Indiana department of transportation shall use the money appropriated under subsection (a) for the purposes

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described in subsection (d) and for the following construction projects:

Route	County	Description or Long Range Plan ID #
State Road 1	Allen	43
State Road 1	Wells	469
State Road 1	Wells	471
State Road 1	Wells	44
State Road 1	Wells	470
State Road 14	Allen	57
State Road 15	Elkhart	61
U.S. 231	Tippecanoe	29
State Road 267	Hendricks	33
U.S. 36	Hendricks	6
State Road 37	Hamilton	117
	Madison	
State Road 37	Hamilton	116
State Road 37	Hamilton	115
Interstate 69	Madison	New Southbound interchange
State Road 9	Madison	Grade Separation Alexandria
State Road 11	Harrison	241
State Road 44	Johnson	247
State Road 45	Monroe	248
U.S. 41	Vanderburgh	331
U.S. 41	Vanderburgh	332
U.S. 6	Lake	174
U.S. 20	Lake	178
U.S. 20	Lake	179
U.S. 20	LaPorte	180
U.S. 20	LaPorte	181

(d) Money appropriated under this SECTION shall also be used for the following projects:

(1) Pavement resurfacing in the Fort Wayne, Crawfordsville, and Greenfield districts.

(2) Costs associated with the development of the northwest-southwest energy corridor line to facilitate intermodal connections between the port of Mount Vernon and the port of Burns Harbor.

(e) This SECTION expires July 1, 2011.

SECTION 8. [EFFECTIVE JULY 1, 2009] (a) Notwithstanding P.L.234-2007, SECTION 34, an appropriation from the major moves construction fund by P.L.234-2007, SECTION 7 that has not

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- 1 **been allotted or encumbered as of July 1, 2009, is terminated. Any**
2 **amount of the terminated appropriation is available for**
3 **appropriation under SECTION 7 of this act.**
4 **SECTION 9. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1656, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

AUSTIN, Chair

Committee Vote: yeas 7, nays 5.

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